

Message Text

UNCLASSIFIED

PAGE 01 USBERL 00288 271536Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02
CIEP-02 LAB-04 SIL-01 OMB-01 DODE-00 PA-02 PRS-01
NSC-05 SS-15 STR-04 CEA-01 /097 W
-----280227Z 068812 /70

R 271451Z JAN 77
FM USMISSION USBERLIN
TO SECSTATE WASHDC 3903
AMEMBASSY BONN

UNCLAS USBERLIN 0288

E.O.11652: N/A
TAGS: EIND, ECON, WB, GW
SUBJECT: IMPORTANT NEW INVESTMENT FOR BERLIN

1. NEW YEAR HAS OPENED ON AN OPTIMISTIC NOTE FOR BERLIN'S ECONOMY WITH ANNOUNCEMENT IN LAST WEEK OF AN IMPORTANT NEW INVESTMENT IN THE CITY BY BAYERISCHE MOTOREN WERKE (BMW). BMW WILL INVEST SOME DM 200 MILLION IN ITS BERLIN MOTORCYLCE FACTORY OVER THE NEXT TRHREE YEARS TO INCREASE CAPACTIY FROM 28,000 TO 60,000 UNITS PER YEAR AND TO RAISE EMPLOYMENT BY 1100 TO 2700. PROJECT IS HAILED AS MOST IMPORTANT NEW INVESTMENT IN CITY IN RECENT YEARS AND AS FIRST BIG SUCCESS OF INTENSIFIED EFFORTS TO PROMOTE BERLIN AS A SITE FOR INDUSTRIAL INVESTMENT. BUSINESS AND SENAT LEASERS HOPE BMW'S DECISION WILL ACT AS A SIGNAL TO OTHER MAJOR FRG FIRMS.

2. BMW ANNOUNCEMENT HAS OVERSHADOWED SIMULTANEOUS NEWS OF THREE LESS FAVORABLE DEVELOPMENTS FOR BERLIN ECONOMY. ONE IS SALE OF NATIONAL CASH REGISTER (NCR) INDUSTRIAL PLANT IN BERLIN TO AUERGESELLSCHAFT, SUBSIDIARY OF MINE SAFTEY APPLIANCES COMPANY OF PITTSBURGH. AUER WILL EXPAND ITS BERLIN ACTIVITIES IN NEW, MORE SPACIOUS FACILITIES, AND WILL RENT BACK TO NCR APPROXIMATELY 25 PERCENT OF PLANT SPACE. WHILE NCR WILL CONTINUE ITS CURRENT REDUCED BERLIN ACTIVITIES IN THE RENTED SPACE, DEAL IMPLIES A
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USBERL 00288 271536Z

FURTHER LESSENING OF NCR'S BERLIN COMMITMENT ON A LONG-TERM BASIS, ALTHOUGH NEAR-TERM RESULT COULD BE NET INCREASE IN LOCAL EMPLOYMENT DUE TO AUER'S EXPANSION.

3. SECOND DEVELOPMENT ATTRACTING NOTICE, ALTHOUGH OF APPARENTLY LITTLE SIGNIFICANCE TO ECONOMY, IS PAN AMERICAN DECISION TO OPEN IN FRANKFURT A BRANCH OFFICE OF ITS GERMAN HEADQUARTERS

LOCATED IN BERLIN. PAA NOTES THAT A PUBLIC RELATIONS SECTION WILL BE PLACED IN FRANKFURT AND THAT IT NEEDS OFFICE AT CENTER OF A GERMAN AVIATION BECAUSE OF PAA'S EXPANDED ROLE AS ONLY AMERICAN CARRIER NOW OPERATING IN GERMANY. COMPANY EMPHASIZES THAT MANAGER'S OFFICE AND HEADQUARTERS REMAIN AT BERLIN.

4. FINALLY, CONSTRUCTION INDUSTRY IS CALLING ATTENTION TO ITS POOR PROSPECTS FOR 1977, NOTING THAT UNEMPLOYMENT IS CURRENTLY

NEARLY 50 PERCENT HIGHER THAN A YEAR AGO. CAUSE IS LACK OF CONTRACTS RATHER THAN WEATHER. MAIN PROBLEM IS WITH HOUSING, WHERE ABOUT A THIRD OF PLANNED 1977 CONSTRUCTION WAS BROUGHT FORWARD INTO 1976 AS TEMPORARY STIMULATION MEASURE. INDUSTRY NOW CALLS FOR FURTHER COMPENSATION BY BRINGING CORRESPONDING AMOUNT OF 1978 PROGRAM FORWARD TO 1977, OR BY EXPANDING 1977 PLAN BY 20 TO 30 PERCENT. DAVIS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INDUSTRIAL DEVELOPMENT, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977USBERL00288
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770030-0727
Format: TEL
From: USBERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770110/aaaaajcn.tel
Line Count: 78
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: aeaab5cf-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 13-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3478927
Secure: OPEN
Status: NATIVE
Subject: IMPORTANT NEW INVESTMENT FOR BERLIN
TAGS: EIND, ECON, WB, GE, BAYERISCHE MOTOREN WERKE
To: STATE BONN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/aeaab5cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009